91ST CONGRESS } HOUSE OF REPRESENTATIVES { No. 91-1473
2d Session }

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1971 FOR MILITARY PROCUREMENT, RESEARCH, AND DEVELOPMENT, AND FOR ANTI-BALLISTIC MISSILE CONSTRUCTION; AND PRESCRIBING RESERVE STRENGTH

SEPTEMBER 26, 1970.—Ordered to be printed

Mr. RIVERS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 17123]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 17123) to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1971 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $292,100,000; for the Navy and the Marine Corps, $2,416,700,000; for the Air Force, $3,255,500,000.

48-006

MISSILES

For missiles for the Army, $1,059,700,000; for the Navy, $932,-400,000; for the Marine Corps, $12,800,000; for the Air Force, $1,485,400,000.

NAVAL VESSELS

For naval vessels: for the Navy, $2,711,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $205,200,000; for the Marine Corps, $47,400,000.

OTHER WEAPONS

For other weapons: for the Army, $67,200,000: Provided, That none of the funds authorized for appropriation by this Act shall be obligated for the procurement of M–16 rifles until the Secretary of the Army has certified to the Congress that at least three active production sources for supplying such weapons will continue to be available within the United States during fiscal year 1971; for the Navy, $2,789,000; for the Marine Corps, $4,400,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1971 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $1,635,600,000;

For the Navy (including the Marine Corps), $2,156,300,000;

For the Air Force, $2,806,900,000; and

For the Defense Agencies, $452,800,000.

SEC. 202. There is hereby authorized to be appropriated to the Department of Defense during fiscal year 1971 for use as an emergency fund for research, development, test, and evaluation or procurement or production related thereto, $50,000,000.

SEC. 203. (a) Funds authorized for appropriation to the Department of Defense under the provisions of this or any other Act shall not be available after December 31, 1970, for payment of independent research and development or bid and proposal costs unless the work for which payment is made has, in the opinion of the Secretary of Defense, a potential relationship to a military function or operation and unless the following conditions are met—

(1) the Secretary of Defense, prior to or during each fiscal year, negotiates advance agreements establishing a dollar ceiling on such costs with all companies which during their last preceding fiscal year received more than $2,000,000 of independent research and development or bid and proposal payments from the Department of Defense, the advance agreements thus negotiated (A) to cover the first fiscal year of each such contractor beginning on or after the beginning of each fiscal year of the Federal Government, and (B) to be concluded either directly with each such

company or with those product divisions of each such company which contract directly with the Department of Defense and themselves received more than $250,000 of such payments during their company's last preceding fiscal year;

(2) the independent research and development portions of the advance agreements thus negotiated are based on company submitted plans on each of which a technical evaluation is performed by the Department of Defense prior to or during the fiscal year covered by such advance agreement; and

(3) no payments for independent research and development or bid and proposal costs are made by the Department of Defense to any company or product division with which an advance agreement is required by subsection (a)(1) of this section, except pursuant to the terms of that agreement.

(b) In the event negotiations are held with any company or product division with which they are required under subsection (a)(1) of this section, but no agreement is reached with any such company or product division, no payments for independent research and development or bid and proposal costs shall be made to any such company or product division during the fiscal year for which agreement was not reached, except in an amount substantially less than the amount which, in the opinion of the Department of Defense, such company or product division would otherwise have been entitled to receive, subject to appeal by such company or product division under regulations to be prescribed by the Secretary of Defense.

(c) The Secretary of Defense shall submit an annual report to the Congress on or before March 15, 1971, and on or before March 15 of each succeeding year, setting forth—

(1) those companies with which negotiations were held pursuant to subsection (a)(1) of this section prior to or during the preceding fiscal year of the Federal Government, together with the results of those negotiations;

(2) the latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the independent research and development or bid and proposal payments made to major defense contractors, whether or not covered by subsection (a)(1) of this section during the preceding calendar year; and

(3) the manner of his compliance with the provisions of this section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' independent research and development and bid and proposal programs.

(d) The provisions of this section shall apply only to contracts for which the submission and certification of cost or pricing data are required in accordance with section 2306(f) of title 10, United States Code.

(e) Section 403 of Public Law 91-121 (80 Stat. 204) is hereby repealed.

SEC. 204. None of the funds authorized to be appropriated to the Department of Defense by this or any other Act may be used to finance any research project or study unless such project or study has, in the opinion of the Secretary of Defense, a potential relationship to a military function or operation.

SEC. 205. It is the sense of the Congress that—

(1) an increase in Government support of basic scientific research is necessary to preserve and strengthen the sound technological base essential both to protection of the national security and the solution of unmet domestic needs; and

(2) a larger share of such support should be provided hereafter through the National Science Foundation.

TITLE III—RESERVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1970, and ending June 30, 1971, the Selected Reserve of each Reserve component of the Armed Forces will be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 400,000.
(2) The Army Reserve, 260,000.
(3) The Naval Reserve, 129,000.
(4) The Marine Corps Reserve, 47,715.
(5) The Air National Guard of the United States, 87,878.
(6) The Air Force Reserve, 47,921.
(7) The Coast Guard Reserve, 15,000.

SEC. 302. The average strength prescribed by section 301 of this title for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever any such units or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

TITLE IV—ANTI-BALLISTIC MISSILE CONSTRUCTION AUTHORIZATION; LIMITATIONS ON DEPLOYMENT

SEC. 401. (a) Miliary construction for the Safeguard anti-ballistic missile system is authorized for the Department of the Army as follows:

(1) Technical and supporting facilities and acquisition of real estate inside the United States, $322,000,000.

(2) Research, development, test, and evaluation facilities at the Kwajalein Missile Range, $3,200,000.

(3) Military Family Housing, four hundred units, $8,800,000: Malmstrom Safeguard site, Montana, two hundred units, Grand Forks Safeguard site, North Dakota, two hundred units.

(b) There are authorized to be appropriated for the purposes of this section not to exceed $334,000,000.

(c) *Authorization contained in this section (except subsection (b)) shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1971, in the same manner as if such authorizations had been included in that Act.*

(d) *Within the amounts of the authorizations of military construction for Safeguard, the Secretary of the Army or his designee is authorized to provide for, under such terms and conditions as he may determine, two hundred and twenty-five units of temporary family housing for occupancy on a rental basis by military and civilian personnel of the Department of Defense and their dependents at each Safeguard site in connection with any military construction and installation and checkout of system equipment which is or may hereafter be authorized at a Safeguard site, if the Secretary of the Army or his designee determines that such temporary housing is necessary in order to perform the construction and installation and checkout of system equipment, and that temporary housing is not otherwise available under reasonable terms and conditions.*

SEC. 402. None of the funds authorized by this or any other Act may be obligated or expended for the purpose of initiating deployment of an anti-ballistic missile system at any site other than Whiteman Air Force Base, Knobnoster, Missouri; except that funds may be obligated or expended for the purpose of initiating advanced preparation (site selection, land acquisition, site survey, and the procurement of long lead-time items) for an anti-ballistic missile system site at Francis E. Warren Air Force Base, Cheyenne, Wyoming. Nothing in the foregoing sentence shall be construed as a limitation on the obligation or expenditure of funds in connection with the deployment of an anti-ballistic missile system at Grand Forks Air Force Base, Grand Forks, North Dakota, or Malmstrom Air Force Base, Great Falls, Montana.

TITLE V—GENERAL PROVISIONS

SEC. 501. The Congress views with grave concern the deepening involvement of the Soviet Union in the Middle East and the clear and present danger to world peace resulting from such involvement which cannot be ignored by the United States. In order to restore and maintain the military balance in the Middle East, by furnishing to Israel the means of providing for its own security, the President is authorized to transfer to Israel, by sale, credit sale, or guaranty, such aircraft, and equipment appropriate to use, maintain, and protect such aircraft, as may be necessary to counteract any past, present, or future increased military assistance provided to other countries of the Middle East. Any such sale, credit sale, or guaranty shall be made on terms and conditions not less favorable than those extended to other countries which receive the same or similar types of aircraft and equipment. The authority contained in the second sentence of this section shall expire September 30, 1972.

SEC. 502. Subsection (a) of section 401 of Public Law 89–367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended to read as follows:

"(a) (1) Not to exceed $2,800,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for

their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos and Thailand; and for related costs, during the fiscal year 1971 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.

"(2) No defense article may be furnished to the South Vietnamese forces, other free world forces in Vietnam, or to local forces in Laos or Thailand with funds authorized for the use of the Armed Forces of the United States under this or any other Act unless the government of the forces to which the defense article is to be furnished shall have agreed that—

"(A) it will not, without the consent of the President—

"(i) permit any use of such article by anyone not an officer, employee, or agent of that government,

"(ii) transfer, or permit any officer, employee, or agent of that government to transfer such article by gift, sale, or otherwise, or

"(iii) use or permit the use of such article for purposes other than those for which furnished;

"(B) it will maintain the security of such article, and will provide substantially the same degree of security protection afforded to such article by the United States Government;

"(C) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such article; and

"(D) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, any such article which is no longer needed for the purposes for which it was furnished.

The President shall promptly submit a report to the Speaker of the House of Representatives and the President of the Senate on the implementation of each agreement entered into in compliance with this paragraph. The President may not give his consent under clause (A) or (D) of this paragraph with respect to any defense article until the expiration of fifteen days after written notice has been given to the Speaker of the House of Representatives and the President of the Senate regarding the proposed action of the President with respect

to such article. As used in this paragraph the term 'defense article' shall have the same meaning prescribed for such term in section 644(d) of the Foreign Assistance Act of 1961. In order to allow a reasonable period of time for the Department of Defense to comply with the requirements of this paragraph, the provisions of such paragraph shall become effective sixty days after the date of enactment of this paragraph."

SEC. 503. Of the total amount authorized to be appropriated by this Act for the procurement of the F–111 aircraft, $283,000,000 of such amount may not be obligated or expended for the procurement of such aircraft until and unless the Secretary of Defense has (1) determined that the F–111 aircraft has been subjected to and successfully completed a comprehensive structural integrity test program, (2) approved a program for the procurement of such aircraft, and (3) certified in a written report to the Committees on Armed Services of the Senate and the House of Representatives that he has made such a determination and approved such a program, and has included in such written report the basis for making such determination and approving such program.

SEC. 504. (a) Of the total amount authorized to be appropriated by this Act for the procurement of the C–5A aircraft, $200,000,000 of such amount may not be obligated or expended until after the expiration of 30 days from the date upon which the Secretary of Defense submits to the Committees on Armed Services of the Senate and the House of Representatives a plan for the expenditure of such $200,000,000. In no event may all or any part of such $200,000,000 be obligated or expended except in accordance with such plan.

(b) The $200,000,000 referred to in subsection (a) of this section, following the submission of a plan pursuant to such subsection, may be expended only for the reasonable and allocable direct and indirect costs incurred by the prime contractor under a contract entered into with the United States to carry out the C–5A aircraft program. No part of such amount may be used for—

(1) direct cost of any other contract or activity of the prime contractor;

(2) profit on any materials, supplies, or services which are sold or transferred between any division, subsidiary, or affiliate of the prime contractor under the common control of the prime contractor and such division, subsidiary, or affiliate;

(3) bid and proposal costs, independent research and development costs, and the cost of other similar unsponsored technical effort; or

(4) depreciation and amortization costs on property, plant, or equipment.

Any of the costs referred to in the preceding sentence which would otherwise be allocable to any work funded by such $200,000,000 may not be allocated to other portions of the C–5A aircraft contract or to any other contract with the United States, but payments to C–5A aircraft subcontractors shall not be subject to the restrictions referred to in such sentence.

(c) Any payment from such $200,000,000 shall be made to the prime contractor through a special bank account from which such contractor may withdraw funds only after a request containing a detailed justification of the amount requested has been submitted to and approved

by the contracting officer for the United States. All payments made from such special bank account shall be audited by the Defense Contract Audit Agency of the Department of Defense and, on a quarterly basis, by the General Accounting Office. The Comptroller General shall submit to the Congress not more than thirty days after the close of each quarter a report on the audit for such quarter performed by the General Accounting Office pursuant to this subsection.

(d) The restrictions and controls provided for in this section with respect to the $200,000,000 referred to in subsections (a) and (b) of this section shall be in addition to such other restrictions and controls as may be prescribed by the Secretary of Defense or the Secretary of the Air Force.

SEC. 505. Section 412(b) of Public Law 86-149, as amended, is amended by inserting immediately before the word "unless" the following: ", or after December 31, 1970, to or for the use of the Navy for the procurement of torpedoes and related support equipment".

SEC. 506. (a) None of the funds authorized to be appropriated by this Act shall be used for the procurement of delivery systems specifically designed to disseminate lethal chemical or any biological warfare agents, or for the procurement of delivery system parts or components specifically designed for such purpose, unless the President shall certify to the Congress that such procurement is essential to the safety and security of the United States.

(b)(1) Section 409(b) of Public Law 91-121, approved November 19, 1969 (83 Stat. 209), is amended—

(A) by striking out "or the open air testing of any such agent within the United States" in the material immediately preceding paragraph (1) and inserting in lieu thereof the following: "the open air testing of any such agent within the United States, or the disposal of any such agent within the United States";

(B) by striking out "transportation or testing" each time it appears in paragraphs (2), (3), and (4) and inserting in lieu thereof "transportation, testing, or disposal"; and

(C) by inserting "or disposal" immediately after "such testing" in paragraph (4)(A).

(2) Section 409(c)(1) of such public law is amended—

(A) by striking out "deployment, or storage, or both," and inserting in lieu thereof "deployment, storage, or disposal"; and

(B) by striking out "deployment or storage" immediately after "unless prior notice of" and inserting in lieu thereof "deployment, storage, or disposal".

(3) The first sentence of section 409(c)(2) of such public law is amended by inserting ", or for the disposal of any munitions in international waters," immediately after "outside the United States".

(4) Section 409 of such public law is further amended by adding at the end thereof a new subsection as follows:

"(g) Nothing contained in this section shall be deemed to restrict the transportation or disposal of research quantities of any lethal chemical or any biological warfare agent, or to delay or prevent, in emergency situations either within or outside the United States, the immediate disposal together with any necessary associated transportation, of any lethal chemical or any biological warfare agent when compliance with the procedures and requirements of this section would clearly endanger the health or safety of any person."

(c) (1) *The Secretary of Defense shall undertake to enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation to determine (A) the ecological and physiological dangers inherent in the use of herbicides, and (B) the ecological and physiological effects of the defoliation program carried out by the Department of Defense in South Vietnam.*

(2) *Of the funds authorized by this Act for research, development, testing, and evaluation of chemical warfare agents and for defense against biological warfare agents, such amounts as are required shall be available to carry out the study and investigation authorized by paragraph (1) of this subsection.*

(3) *In entering into any arrangement with the National Academy of Sciences for conducting the study and investigation authorized by paragraph (1) of this subsection, the Secretary of Defense shall request that the National Academy of Sciences submit a final report containing the results of its study and investigation to the Secretary not later than January 31, 1972. The Secretary shall transmit copies of such report to the President and the Congress, together with such comments and recommendations as he deems appropriate, not later than March 1, 1972.*

(d) *On and after the date of enactment of this Act, no chemical or biological warfare agent shall be disposed of within or outside the United States unless such agent has been detoxified or made harmless to man and his environment unless immediate disposal is clearly necessary, in an emergency, to safeguard human life. An immediate report should be made to Congress in the event of such disposal.*

SEC. 507. (a) *No information concerning the identity or location of the person, company, or corporation to whom any contract has been awarded by the Department of Defense shall be given to any individual, including any Member of Congress, in advance of a public announcement by the Secretary of Defense of the identity of the person, company, or corporation to whom such contract has been awarded.*

(b) *On and after the date of enactment of this Act, whenever the identity of the person, company, or corporation to whom any defense contract has been awarded is to be made public, the Secretary of Defense shall publicly announce that such contract has been awarded and to whom it was awarded.*

SEC. 508. *In order to reduce annual expenditures in connection with permanent change of station assignments of military personnel and in order to help further stabilize the lives of members of the Armed Forces and their dependents, the Secretary of Defense is directed to initiate promptly new procedures with respect to domestic and foreign permanent change of station assignments for military personnel under which the length of permanent change of station assignments will, whenever practicable and consistent with national security, be made for longer periods of time.*

SEC. 509. *Section 412 of Public Law 86-149, as amended, is amended by adding at the end thereof a new subsection as follows:*

"(d) (1) *Beginning with the fiscal year which begins July 1, 1971, and for each fiscal year thereafter, the Congress shall authorize the average annual active duty personnel strength for each component of the Armed Forces; and no funds may be appropriated for any fiscal year beginning on or after such date to or for the use of the active*

duty personnel of any component of the Armed Forces unless the active duty personnel strength of such component for such fiscal year has been authorized by law.

"(2) Beginning with the fiscal year ending June 30, 1971, the President shall submit to the Congress a written report not later than January 31 of each fiscal year recommending the average annual active duty strength level for each component of the Armed Forces for the next fiscal year and shall include in such report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for such fiscal year and the national security policies of the United States in effect at the time."

SEC. 510. No part of the funds appropriated pursuant to this Act may be used at any institution of higher learning if the Secretary of Defense or his designee determines that at the time of the expenditure of funds to such institution recruiting personnel of any of the Armed Forces of the United States are being barred by the policy of such institution from the premises of the institution except that this section shall not apply if the Secretary of Defense or his designee determines that the expenditure is a continuation or a renewal of a previous grant to such institution which is likely to make a significant contribution to the defense effort. The Secretaries of the military departments shall furnish to the Secretary of Defense or his designee within 60 days after the date of enactment of this Act and each January 31st and June 30th thereafter the names of any institutions of higher learning which the Secretaries determine on such dates are barring such recruiting personnel from the campus of the institution.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F. EDWARD HÉBERT,
MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
LESLIE C. ARENDS,
ALVIN E. O'KONSKI,
WILLIAM G. BRAY,
BOB WILSON,
CHARLES GUBSER,
Managers on the Part of the House.

JOHN C. STENNIS,
RICHARD B. RUSSELL,
STUART SYMINGTON,
HENRY M. JACKSON,
HOWARD CANNON,
THOMAS J. MCINTYRE,
MARGARET CHASE SMITH,
STROM THURMOND,
JOHN TOWER,
PETER H. DOMINICK,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 17123) to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TITLE I—PROCUREMENT

Prior-year funds

Included in the Department of Defense fiscal year 1971 authorization request were items identified as "Prior Programs to be Justified" involving both procurement and R.D.T. & E. accounts for each of the several Services and Defense Agencies.

The bill as passed by the House of Representatives deleted the $334,800,000 of new authorization requested by the Departments for these various older programs. The Senate concurred in the House action in denying the Department's request for new authorization in the amount of $334,800,000. However, in addition to concurring with the House action, the Senate was of the view that the Department of Defense had failed to identify or rejustify these various prior year programs for which these amounts had previously been made available but not yet obligated. Further, it was established that these unobligated funds would not be used until some time after Fiscal Year 1971.

In view of these circumstances, the Senate in addition to agreeing with the House reduction, also reduced the requested new obligational authority by the same amount in view of the availability of these prior year funds for use during fiscal year 1971.

Although the Department of Defense objected to this Senate action as representing a departure from the "full funding" concept to the "incremental funding" concept, it was unable to persuade the conferees that this action would adversely affect procurement or research and development of the Department. Therefore, the House accepted the Senate action.

The various reductions in affected programs had previously been outlined in the Senate Report, No. 91–1016, and result in a reduction in the authorizations provided for departmental programs throughout titles I and II of the bill as agreed to by the conferees.

AIRCRAFT

Navy and Marine Corps

For the Navy, the House authorized $79 million for the procurement of the S-3A ASW aircraft. The Senate deleted all procurement funds for the S-3A but provided a corresponding amount, $79 million, for research and development on the aircraft.

The conferees agreed to restore the $79 million to the procurement account. This matter is discussed further below in the review of the conferees' action on Navy research and development programs.

The Senate recedes.

Air Force

The House bill had provided a $30,000,000 authorization for appropriations for Fiscal Year 1971 for an international fighter aircraft. The Senate denied this request. However, after considerable discussion, the Senate receded from its position and the conferees restored the $30,000,000 authorization.

The Congress, in the fiscal year 1970 weapons authorization law (Public Law 91-121) authorized to be appropriated $28,000,000 to initiate procurement of a Free World fighter aircraft. The intention of the Congress was to make available a fighter aircraft to meet the needs of the Free World Forces in Southeast Asia, and to accelerate the withdrawal of United States Forces from South Vietnam and Thailand.

The statutory language authorizing the initiation of this procurement stipulated that the Air Force shall "prior to the obligation of any funds appropriated pursuant to this authorization, conduct a competition for the aircraft which shall be selected on the basis of the threat as evaluated and determined by the Secretary of Defense."

The conferees, in taking this action last year, emphasized their support of the request of the Deputy Secretary of Defense that "necessary adjustments" be made in "the military procurement authorization bill in order to permit the Department of Defense to proceed expeditiously with the development of a new Free World fighter aircraft by the Air Force."

The Secretary of Defense, at that time, also emphasized his conviction that this type of aircraft should be made available as quickly as possible to Free World Forces when he said:

> For some time the Department of Defense has been studying the issues incident to the development of an improved International Fighter Aircraft. Such an aircraft should (*a*) have adequate capabilities to handle the existing threat, (*b*) be as inexpensive as feasible, and (*c*) be simple to maintain and operate. When the military budget was presented to Congress earlier this year, the Department of Defense consideration of the issues involved had not proceeded sufficiently to justify making a request for resources to meet the objectives cited.

Our continuing review over the past few months, however, has validated the objectives, and a draft concept for an International Fighter Aircraft has been completed. The concept highlights, inter alia, the utility our allies, particularly in the Asian theater, might find for a new fighter aircraft and alternative programs which might be undertaken to make such an aircraft available.

In particular, we now believe it is desirable to consider an appropriate aircraft the South Vietnamese might use, as part of the Vietnamization process, defending against the potential North Vietnamese MIG threat.

In view of these circumstances, the Congress endorsed the action requested by the Department of Defense and provided the necessary authority for the initiation of this vital program in fiscal year 1970. However, despite the fact that the need for this type of aircraft has grown more acute, no final action has yet been taken by the Department of Defense to go forward with this procurement action.

The conferees neither appreciate nor understand the "foot dragging" that is evidently taking place in both the Department of Defense and the Air Force on this vital program.

It should not be necessary to point out that the Nixon Doctrine for providing independent nations with the equipment and weapons necessary to guarantee their independence, requires that we have available a simple and relatively inexpensive fighter aircraft. Such an air weapons system must be made available at the earliest practicable date if we are to safely withdraw United States Forces now operating and maintaining our own fighter aircraft in Southeast Asia. The availability of this type of aircraft is, in the view of the conferees a matter of the greatest urgency and should, in our national interest, be accomplished as expeditiously as possible.

The conferees, therefore, in authorizing an additional $30 million for this program, suggest and urge the Secretary of Defense to personally resolve whatever remaining problems may have heretofore prevented the Air Force from going forward with this procurement action so that these aircraft can be made available to our Free World allies as soon as humanly possible.

The conferees are unaware of any legal or procedural problem that would prevent the Secretary of Defense from reaching a final decision on this procurement action. Therefore, it is expected that such a decision will be forthcoming from the Secretary without further delay.

Missiles

Army

The House bill in its authorization of funds for procurement of missiles for the Army provided $660.4 million for the SAFEGUARD antiballistic missile system. The House authorization included $25 million for the advance preparation of five sites for the Modified Phase II deployment. The Senate bill provided $650.4 million for procurement for SAFEGUARD and added language which prohibits the expenditure of funds for initiating deployment of an antiballistic missile system at any site other than Whiteman Air Force Base, Knobnoster, Mo.,

except that funds could be authorized for initiating advance preparation for an antiballistic missile system site at Francis E. Warren Air Force Base, Cheyenne, Wyo. The Senate provision specified that it was not to be construed as a limitation on further obligation or expenditure of funds in connection with the continued deployment of the ABM system at Grand Forks Air Force Base, N. Dak., or Malmstrom Air Force Base, Great Falls, Mont., the two sites where deployment was commenced under the authority of the fiscal 1970 authorization and will be continued under the authorization in the present bill. The Senate language in effect prohibits the advance preparation for four sites as authorized by the House bill and limits the deployment of the SAFEGUARD system to the protection of strategic missile deterrent. The Senate conferees were adamant in their position.

In accepting the Senate amendment, the House conferees want to make very clear and to emphasize their belief that adequate protection of the national command and control function is essential to our security, and the House conferees interpret the conference action as not prohibiting follow-on studies of present and future programs to assure the survivability of this vital element of our national defense.

Section 401 of the Senate bill included authorization for military construction in connection with the SAFEGUARD system in the amount of $334 million, of which $8.8 million is for 400 units of family housing (200 at Malmstrom and 200 at Grand Forks), $322 million for SAFEGUARD-related construction at the approved SAFEGUARD sites and other installations, and $3.2 million for construction at Kwajalein. The House bill contained no such construction authorization. However, the House has already approved identical dollar amounts for military construction in connection with SAFEGUARD in its passage of the military construction authorization bill, H.R. 17604. Therefore, the House recedes.

The House bill authorized $90.3 million for procurement of the IMPROVED HAWK missile. The Senate bill reduced the authorization for the IMPROVED HAWK to $53.3 million, a reduction of $37 million. The conferees agreed to an authorization of $81.4 million, a restoration of $28.1 million of the proposed Senate reduction.

The Senate reduction would have deleted all of the funds for procurement of missiles during fiscal 1971, leaving only the funds for continued modification of ground-support equipment and separate engineering services.

Such action might well have resulted in a 6-month break in production, with added program costs. At the urging of the House conferees, therefore, the Senate agreed to the restoration of the $28.1 million, which is consistent with the Army's requirements under a revised procurement plan which calls for a stretchout of the initial production rate to reduce concurrency to the minimum.

In agreeing to the restoration of these funds, it is the intention of the conferees that the procurement for the fiscal 1971 buy not be consummated until the successful completion of a testing program to ensure the operational readiness of the missile subject to the approval of the Secretary of Defense.

In its request for missile funding the Army included an amount of $106 million for the TOW which is one of the Army's heavy antitank weapons. The Army has in its inventory another heavy antitank

weapon (the Shillelagh missile) which, in range and lethality, is equal to or superior to the TOW and is presently in production at a price less than the TOW. Although the Shillelagh was developed to be fired from tanks, it can be adapted to a ground mode for the use of infantry troops or to a heliborne mode.

The House Committee felt that if this adaptation could be accomplished within a reasonable timeframe and at an acceptable cost, it would result in an eventual significant savings in present and future procurement of such a weapon. Therefore, the Committee approved an amount of $106 million, not specifically for the TOW, but for a *heavy antitank weapon*, provided the Army (1) conducted tests to determine the adaptability of the Shillelagh to the infrantry and heliborne modes, and (2) if affirmative results were obtained, awarded a contract for the Army's total requirement for such missiles to the low bidder in a competition between the producers of the TOW and the producers of the Shillelagh.

Although the Army did not perform the aforesaid tests, they advised the Committee that they had conducted a special and intensive reevaluation of the TOW and Shillelagh systems for the infantry and helicopter roles. The results of this review established to the satisfaction of the Army that each of these weapons should be continued in their presently developed modes. Therefore, at the request of the Senate conferees, the House recedes from its provisional approval of the $106 million for a *heavy antitank weapon* and agrees to authorize that amount for TOW funding.

Navy and Marine Corps

The House bill authorized $52.7 million for the procurement of the Sparrow missile for the Navy. The Senate bill authorized $46 million, a reduction of $6.7 million.

The House recedes.

The House bill authorized $25.6 million for the procurement of the IMPROVED HAWK missile for the Marine Corps. The Senate bill authorized $10.8 million, a reduction of $14.8 million. The missile is procured for the Marine Corps by the Army. In view of the recently revised procurement program under which the Army is proceeding, procurement of the IMPROVED HAWK missiles for the Marine Corps could not be reasonably expected to commence until well into FY 1972. Therefore, since it appeared that money would not actually be required until 1972 for the Marine Corps the House conferees agreed to the Senate position.

The House recedes.

Air Force

The House bill eliminated all procurement funds for the Maverick missile and called for extending the development phase for another year to allow further development prior to procurement. The Senate restored $3.1 million of the House reduction. The $3.1 million will allow retaining present contract options and the production price advantages of the current contract while additional testing is performed.

The House recedes.

The House bill authorized $15 million in procurement funds for modification of the Falcon missile. The Senate bill had denied the $15 million. The conferees agreed to a restoration of $6 million.

Naval Vessels

The House included $152 million for the advance procurement of the third *Nimitz*-class nuclear-powered aircraft carrier (CVAN–70). The Senate bill deleted these funds because the President in submitting the budget indicated that funds would not be obligated until completion of a study in process to assess future requirements for attack carriers. The Conference Committee reaffirmed the findings of a Joint House-Senate Subcommittee on CVAN–70 that this new carrier is needed. However, because of the singular treatment of this carrier in the President's budget message by making a condition of the building of the carrier dependent upon the outcome of a study being undertaken by the National Security Council and because the Administration, despite many pleas, has failed to make a final decision on the carrier, the Conference decided not to include the advance procurement for the CVAN–70 in this year's authorization bill. This is without prejudice to any action in future years.

The House recedes.

The House added on to the Naval vessel construction request of the President an additional $435 million for new construction for the Navy. These additional funds will provide: one fast submarine (SSN–688 class), $166 million; long lead time procurement for an additional such submarine, $22.5 million; one submarine tender, $102 million; one destroyer tender, $103 million; two oceanographic research ships, $7.5 million; and landing crafts, $10 million and service craft, $24 million. The Senate bill contained no such additions but approved a Naval construction program as requested by the President with the exception of the aforementioned CVAN–70 funds which were deleted by the Senate.

The additional ship construction items authorized by the House bill were designated by the Secretary of Defense as the first priority should additional funds be made available by the Congress for the Department of Defense.

The House conferees were able to convince the Senate conferees of the necessity for this additional ship construction program in view of the critical state of the Navy, and this additional $435 million was therefore retained in the bill.

The Senate recedes.

The House bill included language which would have required that $600 million of the funds authorized for Naval vessels would be authorized to be appropriated only for expenditure in Naval shipyards. The Senate bill contained no such provision. In view of the fact that the Department of Defense and the Navy strongly objected that the limitation was unworkable, the Conference Committee agreed to eliminate this provision.

The House recedes.

The House bill included a provision that no funds should be spent for shipbuilding until the National Security Council has made its report to the President with respect to the nuclear attack aircraft carrier CVAN–70. The Senate bill had no such provision. In view of the elimination of the funds for the advance procurement for the CVAN–70, there is no further necessity for this provision.

The House recedes.

The House bill included a provision that would require the construction of the new DD–963 class destroyer at the facilities of at least two different United States shipbuilders. The Senate bill had no such provision. The addition of this language was designed to make the Navy aware of the Congressional intent that the private shipbuilding industry be encouraged on the Atlantic Coast, the Gulf Coast and the Pacific Coast. The Senate conferees were adamant in their opposition to this provision.

The House recedes.

Tracked Combat Vehicles

The M60A1E2 tank is a modification of the M60A1. This modification consists primarily of a new turret and barrel which permits the firing of the Shillelagh missile and the 152mm caseless round. This is the same basic firepower to be incorporated in the Main Battle Tank presently being developed.

The Army has invested more than a quarter of a billion dollars in the M60A1E2 development and the program has been plagued with problems of stability and maintainability for the past five years. However, recent test results suggest that fixes for these problems have been found, and that this can be finally determined by the Engineering and Service Testing which the Army has scheduled for the near future.

The Senate deleted the $12.1 million which the Army requested this year to continue the testing of the M60A1E2. This action would have ended the program just when there is reason to believe that it may prove successful. The House conferees felt that such action would result in the loss of almost a quarter of a billion dollars plus five years of effort and might deny the Army an interim missile firing tank which it states it urgently needs pending the deployment of the new Main Battle Tank during the late seventies and early eighties. Therefore, at the request of the House conferees the Senate conferees receded from their position and the $12.1 million was restored. However, it was the decision of the conferees that there should be no further funding of the M60A1E2 unless the Engineering and Service Testing to be completed in 1971 establishes that the fixes proposed for this tank meet the needs of the Army.

The Army requested $67.6 million for fiscal 1971 for M60A1 procurement. The Senate reduced that amount by $10.9 million which represents the cost of 150 tank chasses which was expected to be recoverable from the M60A1E2 program which would have been terminated by the Senate action discussed above.

With the restoration of the M60A1E2 program by the conferees, the 150 tank chasses were no longer available for the M60A1 program. Therefore, at the request of the House conferees, the $10.9 million was restored.

The Senate recedes.

The House approved a Marine Corps request in the amount of $1.3 million for a training device to be used in connection with a new amphibious vehicle under development. Subsequently, the Marine Corps recommended deferral of this $1.3 million because development of the training device has not been completed. Therefore, the Senate deleted this amount and the House conferees agreed to such deletion for the above-stated reason.

Other Weapons

The House bill contained a provision that none of the funds authorized shall be obligated for the procurement of M–16 rifles until the Secretary of the Army has certified to the Congress that at least three active production sources will continue to be available in the United States during fiscal year 1971. The Senate bill contained no such provision.

The Senate conferees agreed to the position of the House with the understanding that in the coming year, both Houses will give attention to developing permanent policy looking beyond fiscal year 1971 on the question of having an adequate industrial capacity for meeting procurement requirements of this kind, taking into account contingencies that might arise.

Title II—Research and Development

General

Both the Senate and House modified the Research and Development budget request submitted by the Department of Defense. The original request of the Department of Defense totaled $7,401,600,000. The conferees agreed upon $7,101,600,000, or a reduction of $300 million below the amount requested by the Department of Defense. The amount agreed upon is $164 million less than that previously approved by the House and is $164.1 million above the amount recommended by the Senate.

ARMY

For the Army, the conferees agreed upon a total of $1,635,600,000. This reflects a reduction of $100,300,000 below the departmental request and is $10 million less than was authorized by the Congress last year.

In its initial consideration, the House reduced the Army Research and Development authorization by $88 million, leaving flexibility with the Department of Defense to apply the reductions on the basis of military priorities.

The Senate, in its review, reduced the Army authorization by $126.7 million, specifying reductions to be taken in some sixteen projects. The specific program reductions are spelled out in the Senate Report (No. 91–1016). The conferees agreed to accept the Senate reductions on all of these projects except the CHEYENNE helicopter and the SAM–D missile.

In the case of the CHEYENNE, the Senate receded from its position and restored the full $17.6 million requested by the Department.

For the SAM–D, the Senate receded on $8.8 million of the $15 million in disagreement. The conferees authorized appropriations totaling $83.1 million for the SAM–D program.

Close air support—Roles and missions

During the conference it was brought to the attention of the conferees that a roles and missions question has arisen concerning close air support for the Army. The allegation has been made that there is competition for this mission between the HARRIER aircraft, the CHEYENNE helicopter and the proposed AX aircraft. The House

conferees want to make their position perfectly clear and state unequivocally that they see no competition among these aircraft. The House conferees agree with the decision of the Deputy Secretary of Defense that these weapon systems are complementary and not competitive.

Main battle tank (MBT–70)

While not an item in disagreement, the House conferees are concerned about the austere support proposed by the Army for the gas turbine engine development for the Main Battle Tank (MBT–70/XM803). The proposed engine program for this tank of the future supports a "derated" diesel engine. Diesel engines of the type being developed for this important weapon system are based on technologies of the 1950's, or early 1960's, rather than the technology of this decade.

The House conferees question the wisdom of relying on past technology for weapons systems of the future rather than capitalizing on the latest technology available and that which offers greater growth potential in the future. For this reason, the House conferees strongly urge the Army to proceed with the development of the gas turbine engine for the Main Battle Tank on a basis at least equal to that of the derated diesel engine development program.

NAVY AND MARINE CORPS

The conferees agreed on $2,156,300,000. This amount is $56 million below the Departmental request and is $41 million below the amount previously recommended by the House.

In its report, the Senate identified some thirteen programs for adjustment. In the case of the S–3A aircraft, $79 million submitted in the Procurement authorization request was transferred to Research and Development because the two aircraft which the funds would buy are required initially for development and test. The Senate expressed concern that ". . . concurrency of research and development and procurement is to be avoided, and that a more orderly progression is to be achieved to insure that technical problems have been minimized by the time production is started."

The conferees agreed to leave the $79 million in the Procurement authorization with the clear understanding that these two aircraft were to be treated as Research and Development test aircraft and the action is not to be interpreted as approval for release to production of the S–3A aircraft.

The conferees urge that the Secretary of Defense consider the use of the transfer authority to transfer $79 million for the S–3A from Procurement to the R.D.T. & E. appropriation consistent with the use of these funds.

Of the remaining 12 programs adjusted by the Senate, the conferees agreed to restore the following amounts to the programs indicated:

	Millions
Defense research sciences	+$2.3
Destroyer helicopter system	+5.0
F–14B/C	+5.2
Air launched/surface launched antiship missile (HARPOON)	+14.0
Point defense system development	+3.8
Advanced surface ship sonar development	+.7
Surface effect ships	+10.0

The funds restored for the F–14 aircraft program are to support the development of the advanced technology engine and are not to be used for the development of the avionics package for the F–14C aircraft.

AIR FORCE

For the Air Force, the conferees agreed on an authorization totaling $2,806,900,000. This reflects a reduction of $120,800,000 from the amount requested by the Department of Defense. The amount agreed upon by the conferees is $102.8 million below that previously authorized by the House.

The Senate, in its report, identified sixteen programs for reduction in authorization amounts. The conferees agreed to restore all or portions of the reductions on ten programs as follows:

	Millions
Innovations in education and training	+$0.2
Advanced fire control/missile technology	+2.8
Subsonic cruise armed decoy (SCAD)	+10.0
Advanced tanker	+.5
B–1	+25.0
F–111 squadrons	+6.4
Short range air-to-air missile	+5.0
Minuteman rebasing	+27.0
Armament/ordnance development	+7.0
Truck interdiction	+5.0

During the past year, there has been widespread criticism, discussion and debate concerning the schedule slippages and cost overruns of military hardware contracts. While some of the criticism has been justified, it is important for everyone to obtain a better understanding of some of the reasons why cost overruns sometimes occur by reasons beyond the control of the parties immediately concerned.

The contract that best serves both the public and contractor interest is that one which is funded at a rate which produces the maximum return for each dollar spent. When a contract is funded at either a greater or lesser level than the optimum, waste inevitably results and that waste is accompanied by schedule slippage. That is the beginning of the cost overrun.

Thus, in the case of the B–1, the House supported a Defense Department recommended funding level of $100 million for fiscal year 1971. That sum was reduced to $50 million by the Senate. In spite of urging by the House conferees, the Senate conferees did not agree to the restoration of the full sum. Thus the seeds of cost overrun have now been sown in this weapons system and the House conferees, therefore, give fair warning of this unfortunate fact.

The $6.4 million for the F–111 had been deleted by the Senate because these funds had been identified for use on the AIM–7G missile, which was later determined not to be required in fiscal year 1971. The Senate agreed to restore these funds to support development of the F–111 Aircraft.

In the case of the Short Range Air-to-Air Missile, a total of $13 million was agreed upon by the conferees to be authorized. This amount will enable the Air Force to pursue three alternatives to meet their requirement resulting from the recent Air Force cancellation of the AIM–82 program.

The Senate Conferees agreed to the full restoration of $27 million for Minuteman rebasing with the understanding that the reoriented program would exclude efforts previously planned for hard rock development.

In the case of Armament/Ordnance Development, the Secretary of Defense advised that technical difficulty has precluded development of the Hard Structure Munition in Fiscal Year 1971 but that the funds would be applied to other munitions development. The Senate conferees agreed to restore these funds based upon the redirection of this program.

DEFENSE AGENCIES

For Defense Agencies, the conferees agreed on an authorization totaling $452,800,000. This amount is $22.9 million less than that requested by the Department of Defense and is $7.9 million below the amount previously recommended by the House.

In its earlier report, the Senate identified several program areas for reduction. The conferees agreed to restore $7.8 million of these reductions to the Advanced Research Projects Agency (ARPA). This restoration of authorization would be applied to the Defense Research Sciences program in the amount of $4.8 million and to the Advanced Engineering Program in the amount of $3.0 million.

Independent Research and Development

The Senate adopted language in Section 203 which provided for the following:

(*a*) Restricted payments to contractors for independent research and development (IR&D), bidding and proposal (B&P) and other technical effort (OTE) work which is relevant to Defense functions and operations.

(*b*) Required negotiation of advance agreements with all contractors who received more than $2 million in IR&D, B&P, or OTE in their last preceding year.

(*c*) Required that negotiations of advance agreements be based on submitted plans and a technical evaluation of the IR&D portion of those agreements.

(*d*) In the event negotiations are held with any company required to enter into an advance agreement, but no agreement is reached, reimbursement would be made in an amount substantially less than the contractor otherwise would have been entitled to receive.

(*e*) The Department of Defense was required to report to Congress with regard to IR&D, B&P and OTE expenditures.

(*f*) Established a ceiling of $625 million on payments to be made pursuant to advance agreements negotiated under the act, and

(*g*) Repeal of Section 403 of the fiscal year 1970 act which limited payments for IR&D, B&P and OTE to 93 percent of the total cost contemplated by the Department.

The House version of the bill contained no comparable language.

Early this year a House Armed Services Subcommittee held hearings and issued a report on IR&D. The Subcommittee concluded that the control of defense expenditures for IR&D, B&P and OTE could be achieved through improved administration, coupled with adequate oversight, rather than through legislation. The recommendations of the Subcommittee were similar to the Senate language with

the exception of the establishment of a ceiling and the section regarding relevancy.

The Senate conferees maintained that greater congressional oversight was necessary to assure adequate controls over governmental payments for IR&D, B&P and OTE to defense contractors. The House conferees acceded to the Senate where the language coincided with its subcommittee recommendations. However, in the opinion of the House conferees, specific ceilings on the total DOD reimbursement and the language with respect to relevancy were not acceptable.

Control through restrictive congressional ceilings

The provisions of the Senate language established a ceiling of $625 million for the DOD reimbursement of IR&D, B&P and OTE costs to approximately 50 major contractors and was applicable to payments under cost type contracts only. The House conferees considered this provision as a line item in the authorizing procedure. During its hearings, it was established that such a line item provision was administratively impractical. Moreover, upon examination of the computation of the Senate ceiling amount, in the view of House conferees, it was found that it was, at best, an arbitrary amount, and there were questions as to the relationship of the ceiling with costs incurred by the affected contractors and contracts. The Senate conferees conceded to the House position and the language related to the establishment of a ceiling was deleted.

Relevancy

The House conferees agreed with the basic aim of the Senate language which required that payments should be made only for IR&D, B&P and OTE that was related to department functions or operations. However, with respect to basic research conducted as IR&D it cannot always be directly related to a DOD operation or function. Basic research is that type of research which is directed toward increase of knowledge in science rather than an application to a specific product. The development of such fundamental achievements in science is vital to military research and national interests. The House conferees were of the opinion that the relevancy phrase in the Senate language would unduly inhibit the conduct of needed basic research. The conferees agreed to delete the reference to relevancy and substitute the words "in the opinion of the Secretary of Defense, a potential relationship to a military function or operation" to assure a broad interpretation of the relationship of basic research to military requirements.

Other Technical Effort (OTE)

The conferees agreed to eliminate legislative references to OTE because of the lack of specific definition of this category of cost. The Department in its testimony before the House Subcommittee on IR&D stated that OTE as a category of cost would no longer be used and that greater efforts would be made to correctly classify "OTE" costs as IR&D or B&P, or otherwise in the negotiation of agreements or and contracts.

Relevancy of Research to DOD Activities

Section 204 of the Senate bill provided language identical to that contained in the fiscal year 1970 procurement act. It required that research would be conducted only on work having a direct and apparent relationship to a specific military function or operation.

The House version of the bill contained no comparable provision this year. After considering the findings in the House Subcommittee Report on R. & D., it was unanimously concluded that a comparable section should not be included because of the adverse impact of narrow interpretations of relevancy in the conduct of *basic* research. Accordingly, House conferees maintained that the criteria of "direct and apparent relationships" should not be used as a determining factor in the support of basic research efforts of contractors, universities, or non-profit institutions. However, the conferees agreed that applied research should have a demonstrable relevance to a military requirement.

The Senate agreed to delete the phrase "direct and apparent relationship" and substitute "in the opinion of the Secretary of Defense, a potential relationship" to offer greater assurance that *basic* research activities may be conducted to provide the broadest body of scientific knowledge to support future military needs.

Interagency Council on Domestic Applications of Defense Research

The Senate amendment contained a provision in Section 205 which, if enacted, would have established an interagency advisory council to be known as the Interagency Advisory Council on Domestic Applications of Defense Research. The Council was to be composed of eight members of various governmental departments, which would have the objective to encourage and support cooperative Department of Defense-domestic research projects.

The House bill contained no comparable provision.

The House conferees pointed out that there appears to be no need for a statutory council of this type in view of the existence of the research coordinating mechanisms of the existing Federal Council for Science and Technology and, in particular, the Department of Defense-domestic agency study group formed under the Federal Council to accomplish this particular objective. The House conferees also pointed out that no hearings had been conducted by the House Committee on Armed Services on this particular provision and therefore were unwilling to accept the Senate language without a more persuasive justification of a requirement for the creation of this new statutory body.

The Senate therefore reluctantly receded from its position and agreed to delete Section 205.

Permissive Authority for Research on Single Reentry System for Minuteman III and Poseidon

Section 206 of the Senate bill provided permissive authority for the Secretary of Defense to initiate a program of research on a single reentry vehicle system for Minuteman III and Poseidon. The section provided no additional funds but stipulated the funds would be transferred from other projects. The House bill contained no such provision.

The Senate recedes.

Increase in the Level of Domestic Research Effort

The Senate amendment included a provision as section 207 expressing the sense of Congress that an increase in government support of basic scientific research is necessary to preserve and strengthen the Nation's technology base, which in turn is essential both to the protection of the national security and the solution of unmet domestic requirements.

The resolution further provided that a larger share of the increased support that should be forthcoming should be provided through the National Science Foundation.

The language of the Senate provision also stipulated that the National Science Foundation should be provided with a 20% increase in the amount of research funds made available to it for the fiscal year beginning July 1, 1971.

The House bill contained no comparable provision.

The House conferees were generally sympathetic to the objectives reflected in the sense of Congress provision on domestic research effort. However, the House conferees pointed out that this matter had not been the subject of House Committee hearings, and therefore was not a matter on which the House members were prepared to act. The House conferees, however, were sympathetic to the objectives of this provision, and therefore agreed to accept the Senate language with an amendment reflecting the House position.

Reports to be Submitted on Request to Senate and House Committees

Section 208 of the Senate bill contained language requiring agencies of the Federal Government to submit to the House and Senate Committees on Armed Services and the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations, a copy of any report, study, or investigation requested by such committee if the report, study, or investigation was financed in whole or in part with Federal funds and was prepared by a person outside the Federal Government. The only exception provided by the language of the Senate section would be with respect to the exercise of Executive Privilege by the President. The House bill contained no such provision.

While conferees of both houses agreed that a greater effort was advisable in the surveillance of reports prepared by outside persons or agencies financed by the Department of Defense, it was agreed that the language of the section is unnecessary as a means of obtaining compliance with requests for copies of reports and studies.

The Senate recedes.

TITLE III—RESERVE FORCES

The House bill provided that for the fiscal year ending June 30, 1971, the Selected Reserve of the Coast Guard Reserve would be programmed to attain an average strength of not less than 16,590. The corresponding section of the Senate bill provided for an average strength of the Coast Guard Reserve of 15,000.

The minimum Coast Guard Selected Reserve strength required to carry out early response wartime missions is 16,590, as determined by

the Coast Guard's "Force Analysis Study" and discussed in detail in House Report No. 91–1022. Budgetary limitations have forced a reduction in the actual Selected Reserve strength from approximately 17,000 to a current level of about 15,000. The budget request of $25.9 million for fiscal year 1971, and recruiting and training capabilities, will not permit the Coast Guard to reach a Selected Reserve strength of 16,590 during fiscal year 1971. In view of this situation, the conferees have agreed on an authorized strength of 15,000 for fiscal year 1971.

However, it is the belief of the House conferees that Coast Guard Selected Reserve strength should be adjusted upward next year to the 16,590 minimum required for wartime missions, and every effort should be made by the Coast Guard to plan and fund for the attainment of that level at the earliest possible date.

The House recedes.

Title IV—Anti-Ballistic Missile Construction Authorization: Limits on Deployment

The Senate bill contained a separate title IV which authorized military construction in connection with the SAFEGUARD anti-ballistic missile system and included language limiting the deployment of the SAFEGUARD to specified sites in connection with the defense of our strategic missile deterrent. The House bill contained no such separate title. For reasons indicated earlier, the House agreed to the Senate provisions of construction authority in the present bill and the inclusion of Senate language on the limitation of deployment. Therefore, the House recedes on the inclusion of a separate title in regard to the ABM.

Title V—General Provisions

Authority for the Transfer of Military Equipment to the State of Israel

The Senate amendment to H.R. 17123 included a new Section 501 providing the President with authority to transfer military equipment to the State of Israel. There was no comparable position in the House-passed bill.

The Senate Committee on Armed Services, in recommending this provision of law, explained its action in its Committee report as follows:

> The Committee action arises out of a recognition of the deteriorating military balance and the threat to world peace resulting from the deepening involvement of the Soviet Union in the Middle East, particularly their support of a war of attrition against Israel.
>
> The Committee believes that the sale to Israel of aircraft, and equipment necessary to use, maintain and protect such aircraft, should be authorized at once to facilitate action by the administration consistent with our policy of support for the security of Israel. The rapidity with which the military balance in the Middle East is being adversely affected by direct Soviet intervention calls for an authority in law that

would make possible the sale of arms necessary to offset any past, present or future increased military assistance to other countries of the Middle East.

In Section 501 the Committee affirms its view that the restoration and subsequent maintenance of the military balance in the Middle East is essential to the security of Israel and to world peace. In recognition of the severe economic burden presently borne by Israel in providing for its own defense, the Committee further provides that the credit terms upon which the authorized arms should be transferred be not less favorable than the terms extended to other countries receiving the same or similar armaments.

The managers on the part of the House fully concur in the urgent need for Presidential authority of this kind. However, notwithstanding the Senate action, it is the feeling of the Conferees that an expiration date should be provided in this authorization in order that the customary periodic authorization surveillance by Congress will be maintained as in other authorizations.

In order to effect this intention of the Conferees, language was added to the original Senate language which now provides that "the authority contained in the second sentence of this section shall expire September 30, 1972."

The Congress and the Committees responsible for the granting of this authority will be required to review the need for possible extension of this authority beyond September 30, 1972.

It is further understood that the Executive Branch will provide the Congress and the Committee responsible for this authorization with a semi-annnual report on the implementation and utilization of the authority provided by this new section of law.

In order to insure that there is no doubt as to the interpretation of the Senate language, the Managers on the part of the House, the Senate Conferees concurring, reiterate their understanding that the language of the Senate amendment covers ground weapons, such as missiles, tanks, howitzers, armored personnel carriers, ordnance, etc., as well as aircraft. Further, it is intended that the words "equipment appropriate to * * * protect such aircraft" in the original Senate amendment be construed broadly and that they not be narrowly interpreted by the Executive Branch as imposing a requirement that only those ground weapons which are to be deployed by Israel in the physical proximity to airfields may be acquired by Israel under the authority of this section.

Support of Southeast Asia Forces

The House bill contains a provision, Section 401, providing that funds authorized under this or any other act may be used in support of Vietnamese and other Free World forces in Vietnam and local forces in Laos and Thailand and for related costs on such terms and conditions as the Secretary of Defense may determine.

The corresponding section of the Senate bill, Section 502, provides a ceiling of $2,500,000,000 on such funds and provides amendents to:

1. Provide support to Vietnamese and other Free World forces "in support of Vietnamese forces." This amendment removed the

geographical limits imposed by the phrase "in Vietnam" for the purpose of border sanctuaries and related operations.

2. Provide that no funds may be used in the form of additional pay for other Free World forces in Vietnam if the amount of such payment was greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the United States armed forces. The purpose of this amendment was to insure that funds provided by the section would not provide additional pay for other Free World forces in excess of the $65 per month hostile fire pay provided for U.S. forces.

3. Prohibit the use of funds authorized in this section to support Vietnamese or other Free World forces "in actions designed to provide military support or assistance to the governments of Cambodia or Laos."

4. Provide that no defense article be furnished to the South Vietnamese or other Free World forces in Vietnam or local forces in Laos or Thailand with funds authorized pursuant to this section unless the government of those forces has agreed that such defense articles will not be transferred to a third country without notification to and the consent of the President of the United States.

The House receded from its position and accepted the amendments of the Senate, with further amendments to provide a dollar limitation of $2,800,000,000 for fiscal year 1971 and to provide that the restriction on use of funds for additional pay for other Free World forces shall not apply "to the continuation of payments of such additions to regular base pay provided for in agreements executed prior to July 1, 1970."

The conferees would like it understood that the change in the dollar limitation to $2,800,000,000 from the Senate ceiling is solely for the purpose of supplying flexibility to the Department of Defense should it be determined that additional money, if made available, would have the effect of speeding up Vietnamization with the resulting possibility of more rapid withdrawal of U.S. troops.

The exception provided under the limitation of additional pay to other Free World forces is to assure that the U.S. will not renege on agreements already signed with the governments of such forces.

Requirement of Certification by the Department of Defense on the Structural Integrity of the F–111 as a Prior Consideration for the Obligation of Funds

Section 503 of the Senate bill provides that of the funds authorized for the procurement of the F–111 aircraft, $283 million may not be obligated until the Secretary of Defense has determined that the F–111 has been subjected to and successfully completed a comprehensive structural integrity test program and has approved a program for the procurement of the aircraft and has certified the approved programs and findings to the Committees on Armed Services. The House conferees were satisfied that this provision would in no way delay the further procurement of this vitally needed aircraft; and, in fact, the Department of Defense has advised the conferees that it has no objection to this requirement and was prepared to provide the needed certification as to the readiness of this aircraft. Therefore, the House recedes.

The House conferees wish to reiterate that the agreement upon language in the bill in no way reflects agreement with the position stated in the Senate report to the effect that the procurement authorized in the present bill represents the final increment of the F–111 procurement.

It is pointed out that the funds available for the F–111 for fiscal year 1971 will not even complete the fourth wing. The House conferees are unswerving in their belief that four full wings of F–111's should be procured; and it is clear, as the earlier House report indicates, that the Air Force believes six wings are required but such have been precluded for budgetary reasons. The House conferees believe that future decisions should be made in the future, and *not* made now on an arbitrary basis. A present decision on all future requirements for the F–111 is both unnecessary and unwise.

As the report of the Senate Committee makes clear, "no other aircraft in the Air Force inventory can compete with the F–111." The House conferees, therefore, will not accept the imposition of constraint on future procurement of this aircraft and shall insist that the Department of Defense consider further procurement for fiscal year 1972 if necessary for defense requirements and that no prohibition should be placed on the Air Force in planning studies for a fifth or sixth wing.

LIMITATIONS AND CONTROLS ON THE C–5A PROGRAM

Section 504 of the Senate amendment contained language which would prohibit the obligation or expenditure of $200 million authorized to be appropriated for the procurement of the C–5A aircraft unless the Secretary of Defense submitted a plan for its expenditures to the Committees on Armed Services of the Senate and House of Representatives and such Committees approved the plan.

The House bill contained no comparable restriction or prohibition.

The conferees on the part of the House pointed out that they share the concern of the Senate in this matter. However, the action recommended by the Senate raises serious Constitutional questions in requiring that the Executive Branch come into agreement with the respective Committees on Armed Services before going forward with a discretionary action of this kind. Moreover, the Senate provision would, if enacted, have the effect of putting the Armed Services Committees in a position of acting as joint program managers on a matter which in the view of the House conferees should more properly be the final responsibility of the Department of Defense.

In view of these House reservations, the conferees agreed to amend the Senate language to require the submission of a proposed plan of expenditure to the Committees on Armed Services of the Senate and House of Representatives with the further requirement that none of the $200 million could be obligated or expended until after the expiration of 30 days from the date upon which the plan had been submitted to the Congress.

The balance of the Senate language containing the various prohibitions and restrictions remained unchanged. The House, therefore, recedes from its position and accepts the Senate amendment with an amendment.

Requirement of Authorization Legislation on Naval Torpedoes Beginning in Fiscal Year 1972

Section 505 of the Senate bill would provide that after December 31, 1970, no funds will be appropriated for use by the Navy for the procurement of torpedoes and related support equipment unless the appropriations of such funds has been authorized by legislation enacted after such date. The House bill contained no such provision.

The Senate amendment is consistent with language adopted by the House last year but stricken from the conference report at the insistence of Senate conferees.

The House recedes.

Chemical and Biological Warfare

The Senate amendment included in Section 506, language which reaffirmed the prohibition on the procurement of CBW delivery systems contained in P.L. 91–121. However, the Senate amendment contained three additional provisions not previously appearing in the language relating to CBW last year.

Briefly, these three additions are as follows:

I. Subsection 506(b) amended last year's permanent provisions on CBW activities by making more rigid the provisions on disposal of any biological or lethal chemical agent.

II. Subsection 506(c) of the Senate language provided that the Secretary of Defense shall enter into appropriate arrangements with the National Academy of Sciences to conduct a study of the danger inherent in the use of herbicides and the ecological and physiological effects of the defoliation program in South Vietnam, and

III. Section 506(d) barred future disposition of chemical and biological agents unless they have been detoxified or made harmless.

There was no comparable House provision.

The Department of Defense advised the Conferees that it had no objection to the language of the Senate amendment but was concerned over the possibility that situations could arise where immediate disposal of quantities of CBW agents or munitions would be required to assure safety to individuals. Thus, it was pointed out that the delays in disposal actions caused by the notification requirements in Section 506 could in such cases jeopardize the safety of individuals. Additionally, the disposal of small laboratory quantities of lethal agents is a daily recurring action in research and development and in such instances notification for each action through the Department of Defense to HEW and the Congress would not be feasible.

The Conferees concurred in this reservation of the Department of Defense and, therefore, agreed to amend the Senate language to overcome these problems. The amended language appears as a new paragraph (g) and is self-explanatory.

The language is as follows:

> (g) Nothing contained in this section shall be deemed to restrict the transportation or disposal of research quantities of any lethal chemical or any biological warfare agent, or to delay or prevent, in emergency situations either within or outside the United States, the immediate disposal together with

> any necessary associated transportation, of any lethal chemical or any biological warfare agent when compliance with the procedures and requirements of this section would clearly endanger the health or safety of any person.

The House, therefore, recedes from its position and accepts the Senate language with an amendment.

Premature Disclosure of Defense Contract Awards

Section 507 of the Senate bill precludes the Secretary of Defense from furnishing information in advance of any public announcement to any individual concerning the identity or location of a person or corporation receiving a Defense contract. The House bill contained no such provision.

The House recedes.

Employment Priority for Persons Affected by Reductions-in-Force

Section 508 of the Senate bill provides a sense of the Congress Resolution that the various executive departments will give priority in filling vacant positions with career Civil Service employees who are being displaced in the Department of Defense or other departments through reductions-in-force.

The House conferees were in agreement that this amendment had no place in the Military Procurement bill and insisted that regulations or legislation regarding Civil Service employees was properly the jurisdiction of the Post Office and Civil Service Committee. Furthermore, it should be noted that the Executive Branch is already implementing the policy proposed by the provision.

The Senate recedes.

Limitation on Permanent Change of Station Assignments

Included in the Senate language as Section 509 was a Senate floor amendment which directed the Secretary of Defense to initiate new procedures aimed at reducing the expenditures in connection with permanent changes of station for military personnel.

The language of the Senate amendment also directed that there be effected "not less than a 25-percent reduction" in expenditures for permanent changes of station assignments beginning July 1, 1971, "and in each fiscal year thereafter."

The Department of Defense, in commenting on this Senate action, maintained that the enactment of this provision would "present extreme administrative and budgetary problems, as well as problems in manpower programs, especially considering the short time allowed for compliance and the turbulent situation with respect to military manpower."

The Navy advised the conferees that enactment of this provision would have a devastating impact on its already austere ship to shore rotation policy. Among other things, the Navy pointed out that—

> The Navy is a sea duty orientated force and must provide a relatively equitable opportunity for shore assignments because of the privations associated with duty at sea. There are

approximately 335,000 enlisted and 37,000 officer sea billets compared to 151,000 enlisted and 41,000 officer shore billets. Increasing tour lengths of duty ashore would require disproportionate extensions at sea. There are 36 "deprived" enlisted ratings, comprising 46% of the enlisted population. Men in these ratings now spend 12 to 16 years at sea during a normal 20-year career.

The House conferees fully concur in the general objectives of the Senate language. The conferees were unanimous in their view that the Armed Services frequently require military members to change duty assignments without any genuine military requirement for such transfer. These frequently unnecessary permanent changes of assignment are essentially due to either outmoded service policy or poor management, and simply result in unnecessary expenditures of millions of dollars while at the same time causing great inconvenience and hardship to service families.

On the other hand, the House conferees concede that lack of stability in the size of the Military Establishment and the personnel movements required by our commitments in Southeast Asia and other parts of the world make acceptance of the Senate language impractical at this time. Therefore, that portion of the Senate language requiring specified reductions in expenditures was deleted by the conferees.

The House therefore recedes from its objection to the Senate amendment, with an amendment that reflects the sense of Congress that the Department of Defense must initiate promptly new procedures with respect to domestic and foreign permanent change of station assignments for military personnel.

Requirement for the Annual Authorization for the Number of Active Duty Personnel

Section 510 of the Senate bill provides that beginning on July 1, 1971, an authorization for the average annual active duty strength of the Armed Forces would be required as a condition precedent to the appropriation of funds for this purpose.

There was no comparable House provision.

The House conferees had no objection to the Senate language, and therefore accepted the Senate amendment.

Encouragement of Contractors To Use Closed Military Facilities

Section 511 of the Senate bill requires the Secretary of Defense to encourage recipients of defense contracts to use military installations being closed and to offer employment to former employees of military installations who are unemployed as a result of such closures. House conferees believed that such a proposed policy would introduce serious complications to the Department of Defense procurement program. Most defense installations are constructed for specialized purposes and would require substantial rearrangement for production purposes, House conferees insisted on a deletion of this section.

The Senate recedes.

No Change in the Command Structure of U.S. Armed Forces

Section 512 of the Senate bill provides that no modification or change in the command structure of the United States armed forces shall be made until the Senate and House Committees on Armed Services of the 92nd Congress shall have had 60 days to examine the document known as the Fitzhugh Report. The House bill contained no such provision.

The House conferees opposed the language as unnecessary and subject to misinterpretation.

The Senate recedes.

MILITARY RECRUITING AT COLLEGES

The bill as recommended by the Armed Services Committee and passed by the House contained language in Section 402 which would have prohibited the use of funds authorized for appropriation, to be used for grants to any institution of higher learning when the Secretary of Defense or his designee determines that recruiting personnel of the armed forces were being barred from the premises or property of such institution.

The language provided that the prohibition would not apply under circumstances in which the Secretary of Defense or his designee determines the expenditure is a continuation or renewal of a previous grant to such institution which is likely to make a significant contribution to the defense effort.

The language of the section also provided that the Secretaries of the military services are required to furnish to the Secretary of Defense the names of any institutions of higher learning which the Secretary determines are barring military recruiters from the campus of the institution.

The Senate amendment contained no similar provision.

The Senate conferees expressed support of the objectives of the House language but expressed concern that the language of the provision might, under certain circumstances, result in a denial of federal funds to a college or university despite the fact that neither the students nor the faculty were responsible for denying military recruiters the opportunity to be located on campus.

In view of these reservations, the House conferees agreed to modify the House language to provide that this prohibition would apply when military recruitment was "barred by the policy of the institution."

The Senate therefore recedes and accepts the House position with an amendment.

SUMMARY

The bill as presented to the Congress by the President totaled $20,605,489,000. The bill as passed the House totaled $20,571,489,000. The bill as passed the Senate totaled $19,242,889,000.

The bill as agreed to in conference totals $19,929,089,000.

The figure arrived at by the conferees is $642,400,000 less than the bill as it passed the House, $686,200,000 more than the bill as it passed

the Senate, and is $676,400,000 less than the bill as it was presented to the Congress by the President.

The House recedes from its disagreement to the amendment of the Senate to the title of the bill and agrees to the same.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F EDWARD HÉBERT,
MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL S. STRATTON,
LESLIE C. ARENDS,
ALVIN E. O'KONSKI,
WILLIAM G. BRAY,
BOB WILSON,
CHARLES GUBSER,
Managers on the Part of the House.

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